

Union County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Union County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Union County has two cross county units, Union County Schools, which cross into Franklin County (the minor county), and WUR Solid Waste District, which originates in Wayne County.

Union County has no conservancy districts.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$1.1 million, or 14.53%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Union County Schools (\$1,261,638).

Union County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,054,088	\$1,008,221	-\$45,867	-4.35%
Election/Registration	12,743	62,882	50,139	393.46%
Health	72,865	137,357	64,492	88.51%
Children Psychiatric Residential Treatment	28,427	5,621	-22,806	-80.23%

Union County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$635,851	\$360,430	-\$275,421	-43.32%

Total County levy decreased by \$209,372 or 10.06%.

Union County School Corp

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,918,336	\$2,262,349	\$344,013	17.93%
Debt Service	1,400,441	1,693,600	293,159	20.93%
School Pension Debt	159,780	-0-	-159,780	-100.00%
Capital Projects	701,854	1,294,528	592,674	84.44%
Bus Replacement	29,734	200,942	171,208	575.80%

Total School levy increased \$1,261,638 or 26.34%. Capital projects levied up to its maximum allowable tax rate for 2008. Bus Replacement levied up to the amount necessary to replace aging buses.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	14.11%
Industrial	11.13%
Commercial	6.20%
Residential	2.82%
Utilities	34.22%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	38.26%	40.51%
Industrial	0.80%	0.83%
Commercial	6.31%	6.22%
Residential	53.53%	51.07%
Utilities	1.10%	1.37%

As can be seen from the analysis, a shift from residential and commercial to agricultural, industrial, and utilities occurred. This shift was approximately 2.55%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BROWNSVILLE TOWNSHIP	11.46%	19.04%	6.80%	8.19%	10.25%	1.28%
CENTER TOWNSHIP	12.60%	20.22%	6.77%	8.16%	10.17%	1.34%
LIBERTY TOWN	1.37%	8.57%	7.10%	8.05%	10.47%	-3.26%
HARMONY TOWNSHIP	1.41%	8.33%	6.82%	8.22%	10.26%	1.37%
HARRISON TOWNSHIP	11.80%	19.31%	6.72%	8.10%	10.16%	1.21%
LIBERTY TOWNSHIP	6.44%	13.68%	6.80%	8.20%	10.22%	1.32%
UNION TOWNSHIP	10.37%	17.94%	6.87%	8.28%	10.32%	1.44%
WEST COLLEGE CORNER TOWN	-0.30%	9.08%	9.42%	10.93%	13.04%	0.95%
Average	7.51%	14.53%	7.20%	8.55%	10.66%	0.52%

Downward pressure on tax rates came from increases in Assessed Value due to trending and an increased homestead credit.

Upward pressure on tax rates came from increases in tax levies.

The estimated net homestead tax reduction from 2007 to 2008 for Union County is 17.08%.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Percent of Parcels with Identified assessed value changes:

<u>Property Class</u>	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Industrial	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%
Commercial	0.9%	12.8%	54.3%	28.8%	2.3%	0.9%
Residential	1.8%	47.8%	48.5%	0.6%	0.5%	0.8%
Overall	1.5%	35.8%	42.9%	17.3%	1.8%	0.8%